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July 26, 2011

Cynthia T. Brown
Chief of the Section of Administration
Office of Proceedings
Surface Transportation Board
395 E Street, SW
Washington, DC 20423

ENTERED
Office of Proceedings
JUL 26 2011
Part of
Public Record

Re: Ex Parte No. 705, Competition in the Railroad Industry

Dear Ms. Brown:

We submit herewith the Supplemental Comments of National Grain and Feed Association. Due to the fact that both the president of NGFA and NGFA's counsel were out of town yesterday, the date on which this pleading was due, it could not be filed in a timely manner. NGFA requests the Board to accept this pleading for the record even though it is one day late. It is highly doubtful that any party will be harmed by this procedure.

NGFA apologizes for any inconvenience this filing may cause to the Board.

Sincerely,

Andrew P. Goldstein

Andrew P. Goldstein

Attorney for
National Grain and Feed Association

**BEFOR THE
SURFACE TRANSPORTATION BOARD**

**Ex Parte No. 705
COMPETITION IN THE RAILROAD INDUSTRY**

SUPPLEMENTAL COMMENTS

of the

NATIONAL GRAIN AND FEED ASSOCIATION

The National Grain and Feed Association ("NGFA") is an organization comprised of grain shippers and receivers, grain processors, poultry and animal feed producers, and other participants in the agricultural community. NGFA has previously filed comments in this proceeding describing its membership in more detail and it appeared at the oral hearing held before the board.

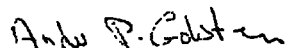
This communication is to advise the board that NGFA supports the request of the National Industrial Transportation League ("NITL") for the institution of a rulemaking to address switching issues within terminal areas. The removal of existing restrictions on terminal switching and the establishment of terminal switching where it is not now offered by railroads are positive steps that should be facilitated by the Board.

However, enhanced terminal switching by itself will not solve the problems of those shippers who are being denied route access within terminals. Once switching is accorded to a shipper within a terminal, it may not be usable if the carrier required to provide switching establishes a rate that is prohibitively high. Where shippers, such as grain elevators, generate relatively small shipments, even a three-benchmark rate case,

which the Board estimates will cost \$250,000, may be economically infeasible. An order compelling terminal switching should not be a stepping stone to a costly rate case.

NGFA accordingly urges the board, should it issue an Advanced Notice of Proposed Rulemaking or a Notice of Proposed Rulemaking in Response to the NITL request, to include consideration of appropriate provisions to determine rates for terminal switching.

Respectfully submitted,



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